



STATE OF MARYLAND

DHMH

Maryland Department of Health and Mental Hygiene

201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – Joshua M. Sharfstein, M.D., Secretary

March 12, 2014

The Honorable Edward J. Kasemeyer
Chair
Senate Budget and Taxation Committee
3 West Miller Senate Building
Annapolis, MD 21401-1991

The Honorable Norman H. Conway
Chair
House Appropriations Committee
121 House Office Building
Annapolis, MD 21401-1991

The Honorable Thomas M. Middleton
Chair
Senate Finance Committee
3 East Miller Senate Building
Annapolis, MD 21401-1991

The Honorable Peter Hammen
Chair
House Health and Government
Operations Committee
Annapolis, MD 21401-1991

Dear Chairmen Kasemeyer, Middleton, Conway and Hammen:

Pursuant to the 2013 Joint Chairmen's Report (Pg. 286), the Department of Health and Mental Hygiene (DHMH) respectfully submits this report on the consolidation of the Secure Evaluation and Therapeutic Treatment (SETT) unit. More specifically, budget bill language required DHMH to report on the following issues:

- total estimated project costs for renovating an existing SETT unit, in comparison to constructing a new 32-bed facility, including estimated operating costs associated with a fully operational facility;
- how the renovations option will address concerns related to security and lack of vocational space posed by the existing facility;
- how renovations to an existing SETT unit will effectively meet the needs of the forensic population; and
- how the department plans to fund and administer the expansion of community-based homes to support a consolidated SETT unit, including whether providers operating these homes will be required to meet additional regulatory standards.

In addition to responding to the issues outlined above, the report will provide background information on the SETT unit and briefly summarize the recommendations made by the Department in its 2012 Joint Chairmen's Report (Pg. 207) submission on plans to alter the proposed scope of the SETT unit. The current census at the SETT unit and the Department's efforts to work with community providers to establish therapeutic treatment homes will also be discussed.

If you have any questions, please contact Patrick Dooley, Acting Executive Director of the DDA, at (410) 767-0907.

Sincerely,

A handwritten signature in black ink, appearing to read "Josh M. Sharfstein". The signature is fluid and cursive, with the first name "Josh" being more prominent.

Joshua M. Sharfstein, M.D.
Secretary

Enclosures

cc: Gayle Jordan-Randolph, M.D.
Mr. Patrick Dooley
Ms. Allison Taylor

**Developmental Disabilities Administration
Consolidation of the Secure Evaluation and Therapeutic Treatment Unit
2013 Joint Chairmen's Report (Page 286)**

Background

The Developmental Disabilities Administration (DDA) is charged with serving individuals who are identified through the court as being in need of treatment and as qualifying for DDA services. The individuals referred to DDA have been determined to be not criminally responsible or incompetent to stand trial. Although it is the court's decision to determine the type of placement for the individual, the DDA does make recommendations on the best place for treatment for the individual: in a community-based setting or in a DDA facility. Individuals presenting with dangerous behaviors that threaten public safety are referred to a DDA facility, while individuals presenting with behaviors that do not pose a threat to public safety remain in the community with support and services as needed.

Prior to its closure in June 2009, the Rosewood Center was the only facility in Maryland that served the court-ordered forensic population with developmental disabilities. At the time the closure announcement was made, the facility housed 166 residents, 30 of whom were placed in the custody of the DDA by the court. All of the residents have since been transferred to community-based placements in the Baltimore metropolitan area. Beginning in fiscal year 2009, the Department implemented an interim plan for housing the forensic population at the Springfield Hospital Center (Sykesville SETT) and the Clifton T. Perkins Hospital Center (Jessup SETT). The Jessup SETT (12 beds) is an evaluation unit, and the Sykesville SETT (20 beds) is a long-term unit for people in need of care and treatment.

The SETT units are not intended to house individuals for extended periods of time. Rather, the units provide evaluation and assessment services, as well as active treatment in a secure environment for individuals with an intellectual disability and court involvement. Once an individual transitions out of SETT, he/she may be placed in the community or a DDA State Residential Center.

Summary of the 2012 Joint Chairmen's Report (Page 207)

When the SETT units were established, the Department of Health and Mental Hygiene (the Department) also initiated a long-term plan to construct a consolidated 60-bed SETT facility based on the model used in Minnesota – the Minnesota Extended Treatment Options (METO). This decision was supported by the available data at the time, which indicated that METO was a safe and effective facility and that there was a need to increase the capacity of the SETT units.

Today, the treatment model used in METO is no longer considered safe or effective. The United States District Court, District of Minnesota, has found METO to be in violation of the *Olmstead* community integration standards¹, and the facility has since been closed.² As a result, Minnesota has a multimillion dollar settlement agreement and a court monitor to ensure compliance. Individuals are currently being transitioned into the community.

Based on the outcome of the METO treatment model, coupled with a declining average daily population at the SETT units, DDA reexamined the decision to construct a new SETT facility. Upon completing this review, the Department made three recommendations: (1) consolidate existing SETT facilities; (2) maintain a 32-bed capacity within a consolidated SETT facility; and (3) expand community-based homes.

Appropriate Bed Capacity for the SETT

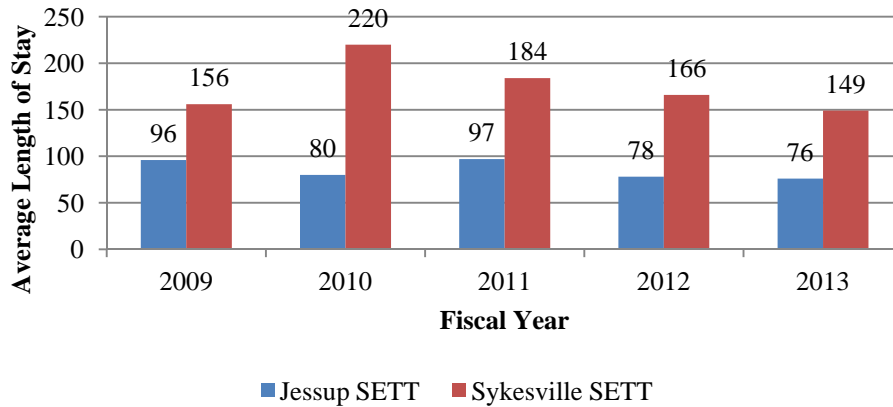
In recent years, the DDA has been working to improve the Department's forensic data collection. Due to these efforts, the Department has access to more comprehensive utilization data for each SETT unit. Concurrently, the Department has been implementing a number of initiatives to reduce patients' lengths of stay and better facilitate the transition of individuals to alternative, community-based settings. These initiatives include: improving habilitation and training opportunities for individuals at the SETT, emphasizing vocational programming, restructuring forensic oversight, and recruiting new community-based providers.

Recent data demonstrates the benefits of these initiatives. First, utilization of the SETT for the purposes of conducting pretrial evaluations has declined, and more patients are being evaluated in community settings. From 2008 through 2012, the total number of pretrial evaluations within the SETT units declined by 44% and the facilities had fewer requests for services. As shown below, these efforts have also resulted in a reduction in the average length of stay at both the Jessup and Sykesville SETT units. Since fiscal year 2009, the average length of stay at the Jessup and Sykesville SETT units has declined by approximately 21% and 4%, respectively.

¹ *Jensen et al. v. Minnesota Department of Human Services et al.*, [Civil No. 09-1775 \(DWF/FLN\)](#)

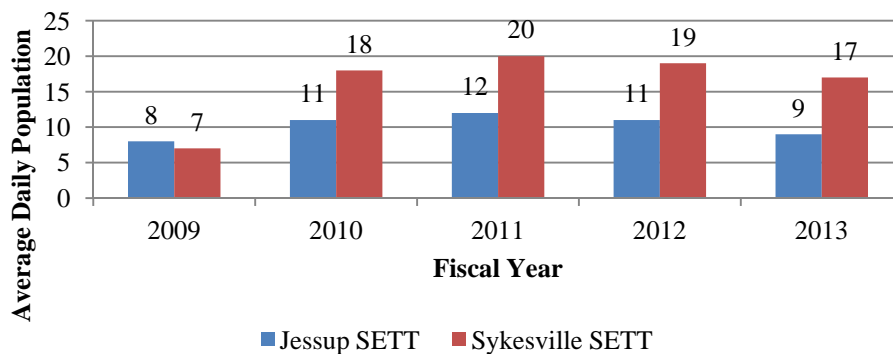
² In *Olmstead v. L.C.*, 527 U.S., 581 (1999), the Supreme Court ruled that, under the Americans with Disabilities Act, the State may not provide services for an individual in an institution if the person is able to receive them in the community with appropriate support.

SETT Unit Average Length of Stay Fiscal 2009 - 2013



The 2012 Joint Chairmen's Report noted that the DDA's SETT units have been operating below capacity, and the average monthly census has been declining. In fiscal year 2012, the SETT facilities had an average daily population of 30 individuals. As shown below, fiscal 2013 data indicates that this decline in capacity continues as the average daily population of the two SETT units decreased to 26 individuals. For these reasons, the Department recommended the consolidation of the two SETT units into one facility with a 32-bed capacity.

SETT Unit Average Daily Population Fiscal 2009 - 2013



Expansion of Community-based Therapeutic Treatment Homes

In addition to consolidating the two SETT units, the DDA also recommended that the Department move forward with expanding the capacity to serve individuals in community-based residential homes that would be structured, supervised, and sited to ensure security. These alternative, community-based residential homes will be used to transition appropriate individuals from the SETT facilities. Although the DDA has 35 to 40 providers that accept individuals transitioning from the SETT units, this capacity is insufficient to meet the current need. It is important to note that these community placements are long-term in nature and, if successful, result in low turnover of the residents, limiting the capacity for future placements. The Department's goal is to serve as many individuals as possible in the community.

Therapeutic treatment homes would be regulated under the current licensure and compliance structure by the Office of Health Care Quality (OHCQ). Individuals transitioning out of the SETT units are currently being served by OHCQ-regulated providers. However, regulations specific to therapeutic treatment homes may need to be promulgated to provide for the security and safety of residents, staff and the community. The DDA and OHCQ will continue discussion with prospective providers regarding the need for additional regulations.

The DDA continues to work with both existing and potential providers to develop new community-based therapeutic homes. The State is supportive of using existing capital grant programs to provide funding to providers for the acquisition and renovations of these homes based on a competitive application process. These homes would not be located on State-owned facility campuses and would instead be located in residential settings. These homes would be built over a period of several years, as needed, and would be part of a continuum of placements to be used in transitioning individuals from the SETT unit into alternative community placements. It is DDA's intent to pursue the development of the therapeutic treatment homes through the existing Community Health Facilities Grant Program. This would allow the Department to continuously assess community need for forensic housing and gradually establish therapeutic treatment homes as necessary. An interest meeting was held on March 14, 2013 for providers to make them aware of the existing Community Health Facilities Grant Program. Thirteen new or existing providers attended the interest meeting. Some providers have expressed interest in applying for funds through the Community Health Facilities Grant Program over the next few years.

SETT Facility Options

The consolidation of the Jessup and Sykesville SETT units into one facility can be achieved in either of two ways: (1) constructing a new 32-bed facility, or (2) renovating the existing Sykesville SETT unit. A summary comparative analysis of the net assignable square feet by functional areas for the existing SETT and the two options considered for a new SETT

unit is provided in Appendix 1. Appendix 2 provides a summary comparison of the estimated capital costs and completion date for the two options.

Constructing a New 32-bed Unit in Jessup

The construction of a new 32-bed SETT unit, located at Jessup, has an estimated cost of \$38.3 million. The size of this new 32-bed SETT unit is planned to be 56,000 square feet. The Jessup site is located on unimproved land and requires the clearing of trees, installation of utilities from Dorsey Run Road to the site and construction of roads and parking spaces. Demolition of two abandoned buildings (8,900 square feet) would also be required.

One advantage of constructing a new facility is being able to “build to suit” to meet functional requirements with a layout designed to support the therapeutic components of the program. Residential services would be provided in homes equipped with security enhancements. These units would permit flexibility in resident placement based on court status, behavior and other assessed needs. Furthermore, the units would afford a living situation that is similar to living in the community, providing individuals with the opportunity to modify their behaviors in an environment that would be similar to their environment after being discharged. This environment would also facilitate individual progression to greater levels of independence and self-direction.

The building would include a large multi-purpose area/recreation area, classrooms and vocational training space, a kitchen/central dining area, maintenance and support services, and behavioral health and somatic health suites. Vocational training areas in the new facility would include:

- a laundry training module and an unassigned area for rotating vocational programs (e.g. horticulture) (1,050 square feet);
- a full size commercial kitchen and cafeteria with a serving line that would also provide an opportunity for a food services/culinary arts training module;
- a housekeeping area that would also be used for a training and staging housekeeping services module; and
- a facility grounds keeping area that would also be used as a training module.

Finally, the new facility would be equipped with additional security controls, including intake and processing areas with a sally port at the facility’s entrance and a sally port for emergency vehicles to allow for the drop-off and pick-up of residents. Other security measures would include video camera surveillance, a first defense fence, security windows, anti-ligature

hardware, electronic door locks, card readers/badge system, personal alarm transmitters, off-hook alarm system, outdoor lighting, and motion detectors.

Renovation and Consolidation of the Sykesville SETT Unit

In comparison to constructing a new facility, the consolidation and renovation of the SETT Unit in Sykesville has an estimated cost of \$19 million. To consolidate the SETT facility and provide appropriate program space, the existing Muncie building at Springfield Hospital Center would require total renovation (18,500 square feet). The construction of an addition to the Muncie building would also be necessary (16,770 square feet). The renovations at the Muncie building would be staged in two phases to accommodate living arrangements for the residents housed in the Sykesville facility during construction.

Phase I - Construct the new addition (12-beds) to the Muncie building and renovate one wing of the Muncie Building (7 beds) for a total of 19 beds. The population at Sykesville will move into these 19 beds, vacating the current residential space for renovations.

Phase II - Renovate the remaining two wings of the Muncie building, comprising 13 beds, for a total of 32 beds.

Upon completion of Phase II, the entire 32 bed facility will be available. The Sykesville population temporarily residing in the new addition will move back to the Muncie building and the population from the SETT Unit in Jessup will be moved to the new addition.

Renovations to the Muncie building would include complete interior demolition and reconstruction of function areas, to include three residential suites totaling 20-beds for the long-term court-committed population, while the addition to the Muncie building would contain two 6-bed pre-trial evaluation residential suites, a multi-purpose area/gym, central security control, including in-take and processing areas, and administrative offices and support services. Although the residential homes proposed for a new facility cannot be replicated in the renovation of the Sykesville SETT unit, separate living suites would be created under this option. Each suite will have a large common area for TV/dining/passive recreation. The individual residential suites will permit flexibility in resident placement based on court status, behavior and other assessed needs. Further, the “institutional feel” of the living environment will be mitigated with the design of larger bedrooms, and separate home-like living areas. The application of dry wall over cement block and other architectural modifications will further create a home-like environment.

Among other things, renovations to the Muncie building would include a new HVAC system, improvements to the electrical and plumbing infrastructure, upgrades to the camera surveillance system, the addition of peripheral devices, and renovation of the bathrooms. This option would also require relocation of Springfield Hospital Center functions from the Muncie

building and Youth Barn to Convalescent Cottage IV. These functions include staff development and training, and medical records. Renovations to the Convalescent Cottage IV would be required to accommodate these functions, including HVAC upgrades, architectural modifications, new carpeting, painting and IT upgrades. Renovation costs are included in the total estimated costs for this project.

The consolidated 32-bed SETT unit at Sykesville, while not built-to-suit, offers the opportunity for full programming. The design of the addition will create a secure, enclosed courtyard that would provide vocational opportunities in landscaping, horticulture, and/or sustainable farming. Vocational training areas for the unit total 1,740 square feet and include laundry training modules, unassigned areas for rotating vocational program, and housekeeping modules.

Finally, a renovated facility would include upgraded security features such as video camera surveillance, security windows, anti-ligature hardware, electronic door locks, card readers/badge system, personal alarm transmitters, off-hook alarm system, outdoor lighting, and motion detectors. A single point, controlled access to the entire SETT unit would be located in the addition to the Muncie building.

Operating Costs to Serve Forensic Population

As discussed below, operating costs to serve individuals in a consolidated SETT unit, as opposed to the community, have various cost implications for the state. For instance, it is more costly to serve an individual in the SETT unit than in the community. Moreover, operating costs to serve individuals in the SETT unit are supported with general funds only.

Estimated Operating Costs for a Consolidated SETT Unit

It is anticipated that the operating costs for a consolidated SETT unit will not differ significantly from current costs, since the majority of operating support for the SETT unit is spent on personnel. However, consolidating the SETT units may result in reduced operating costs. For example, maintaining two separate facilities results in the need for additional time in which to transport residents from one facility to the other and does not promote consistency in programming for the residents. Consolidating the two facilities will promote enhanced management and supervisory oversight while reducing administrative and overhead costs.

The fiscal 2013 operating budget for the SETT unit can be used to estimate proposed operating costs at the new facility. The State-calculated per diem costs for fiscal 2013 were \$847 for the Sykesville SETT and \$1,121 for the Jessup SETT for a total operating cost of \$8.9 million. Based on these per diem costs, the average annual cost to serve an individual in the

SETT unit was \$343,727. It is important to note that this reflects an average daily population of 26 individuals.

Estimated Operating Costs for Community-based Therapeutic Treatment Homes

Using fiscal 2013 data from the DDA's Provider Consumer Information System 2 (PCIS2), community-based services for residents discharged from SETT cost \$132,133 per placement annually.³ Among other things, per-placement costs include resource coordination, supported employment, residential, day habilitation services, staff support, behavioral support services, and clinical services through the public mental health system. It is anticipated that nearly 50% of the costs of community-based forensic services would be eligible for a federal match under the DDA's Home and Community-Based Services waiver. After applying the 50% federal match to the total costs for community beds, the State general fund portion to serve individuals in therapeutic treatment homes is estimated at \$66,067. As mentioned previously, operating costs for the SETT unit are not eligible for a federal match.

Conclusion

The construction of a new SETT unit or the renovation of the existing Sykesville Unit, in conjunction with the expansion of community-based therapeutic treatment homes, aligns with the original goals of the SETT program. The \$19 million estimated capital cost for the renovation and consolidation of the Sykesville Unit is half the cost of the option to construct a new 32-bed facility. Additionally, there would be significant reduction in facility support areas in the Sykesville Unit. Kitchen facilities are not needed, as the SETT unit will purchase food from the Springfield Hospital Center kitchen. The SETT will purchase maintenance services from Springfield Hospital Center. There would also be a significant reduction in the size of residential areas under the renovation and consolidation of the Sykesville Unit option, including deletion of kitchen areas, and consolidation of a dining, living/TV, and recreation game rooms into one common area on each of the residential suites. The DDA believes that these reductions do not compromise the original intent of the program and that renovation and consolidation of the Sykesville Unit provides sufficient residential and program space to effectively provide therapeutic treatment.

Therefore, the Department recommends the renovation and consolidation of the Sykesville Unit.

³ Sixteen people were placed from the SETT into the community during the first 11 months of fiscal 2013. The total annual cost for the 16 residents was \$1.9 million for 11 months or an average community cost of \$121,122.49 per individual. It should be noted that this total reflects only 11 months of the fiscal year. The prorated cost for a year of community-based services is \$132,133 per placement.

Appendix 1: Summary Comparison by Functional Areas – Net Assignable Square Feet (NASF) for Existing and New SETT Options

Area	Existing (NASF)	SETT	A. New 32-bed and Program Facility (NASF)	B. Renovate 32-bed Muncie/New Addition (NASF)
Administration	2,262		2,303	2,333
Security/Communications	359		1,055	1,188
Program Areas	3,227		7,229	5,810
Admissions/Intake/Clinical	769		3,979	3,582
Facility Support*	1,473		6,139	1,367
Subtotal	8,090		20,705	14,280
Residential**	5,284		12,783	7,760
Total NASF	13,374		33,488	22,040

*In comparison to Option A, Option B (renovating the Muncie building) shows a 4,772 NASF reduction in space for Facility Support functions. Because the SETT facility would be located on the Springfield Hospital Center campus, some services would be provided by the hospital, eliminating the need for certain functional areas that are necessary in Option A, including a full commercial kitchen (3,000 NASF) and building maintenance and support (1,700 NASF).

** Option B shows a 5,023 NASF reduction in space for Residential functions when compared to Option A. Option A includes the construction of multiple residential homes, the need for which is eliminated under Option B. As a result, Option B would reduce residential space (2,000 NASF). Due to the elimination of residential homes, Option B also reflects the consolidation of residential functional areas, such as multi-purpose/game room/dining area, visitation room, calming room, kitchen and kitchen pantry and bathroom areas (resulting in a reduction of 3,000 NASF).

Appendix 2: Summary of Options for a Consolidated SETT Facility, Estimated Costs and Completion Dates

Option	Location	Total Estimated Cost	Estimated Completion Date
A. New 32-bed SETT*	Jessup, MD	\$38,300,000	August 2018
B. 32-bed SETT Renovate Muncie/New Addition**	Sykesville, MD	\$19,000,000	July 2018

*The cost estimate for Option A is based on structural cost per square foot of \$315 for new residential space and \$360 for the new Program Building. The cost per square foot was provided by the Department of General Services for the fiscal 2014 capital budget cost model and inflated by 5.2% for fiscal 2015 (per instructions from the Department of Budget and Management's Office of Capital Budgeting).

**The cost estimate for Option B is based on a structural square foot of \$315 for the new addition (using the Option A cost per square foot for new residential construction) and \$300 for the renovations of the Muncie building (based on consultation with the Department of General Services).